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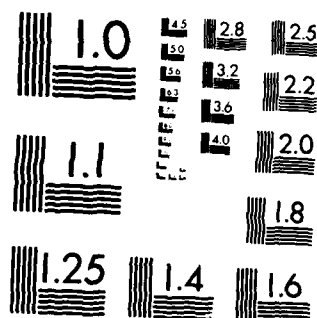
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PROFESSIONAL COUPLES AND MONEY

Sara Yogev
Center for Urban Affairs
and Policy Research
Northwestern University
2040 Sheridan Road
Evanston, Illinois 60201

Jeanne M. Brett
Organization Behavior
Kellogg Graduate School of
Management
Northwestern University
Evanston, Illinois 60201

Address Correspondence to:

Sara Yogev
Center for Urban Affairs and Policy Research
Northwestern University
Evanston, IL 60201

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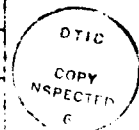
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Abstract

This study investigates three alternative models of the distribution of financial control in dual-earner couples: one derived from resource theory, one from socialization theory and an equality model based on marital satisfaction research. 88 high income, dual-earner couples were studied. There was no evidence for the resource model. When income was skewed (i.e. she earned substantially more than he, or he earned substantially more than she), the socialization model accounted for the data. When women's financial power nearly equalled their husband's, financial control seemed to shift to the equality model. The evidence suggests that despite the financial gains achieved by educated, professional women, they have not, in their marriages, totally let go of traditional sex role stereotypes, especially when financial power is skewed.

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"People will talk about their sex lives before they will discuss their financial situation." (New York Times Magazine, September 27, 1981).

With all the research on dual-earner couples published in the last 15 years, we know significantly more about how couples share control over domestic and child care responsibilities than how they manage their money. This study investigates three alternative explanations for the distribution of financial control in dual-earner couples, one derived from resource theory (Rodman, 1967; 1972; Burr et al., 1977), one from socialization theory (Scanlon, 1978), and one based on research on marital satisfaction that implies that an equality model may account for patterns of control over family matters. In addition, we were interested in whether the financial power achieved by educated women taking professional and managerial jobs is being translated into financial control within the family setting.

The study of power relationships in contemporary families has been a major topic in the marriage and family literature (McDonald, 1980; Gray-Little and Burks, 1983). Studies typically focus on the relationship between power and control over decision making. Researchers have used educational attainment, occupational attainment, and employment status of wives, but not income (so far as we could discover) as indicators of power. Since in American culture having money means having access to power (as compared to other cultures where social class or old age may indicate power and influence) it is surprising that the relationship between income and control over financial decision making in the family has not received wide attention.

Distribution of family tasks, like housework, decision making with regard to purchases of major appliances, child care, etc. have been used as

indicators of control. According to Douglas and Wind (1978) most couples have different patterns of control for different areas of family functioning. For example, women tend to be dominant in areas of housework, (e.g. washing and drying dishes, doing laundry and shopping for food) while men tend to control yard work, car maintenance and snow shoveling. Thus, investigation of power-control relationships within the family needs to be conducted relative to specific areas of family life. In this research, we focused on financial power and control over financial decision making.

Resource theory is an economic explanation of behavior. Its central premise is that power varies directly with the amount and value of resources provided (Rodman, 1967; 1972; Burr et al., 1977). Resource theory predicts that among dual-earner couples, the larger the wife's percentage of the family income, the greater her financial power and the greater her control over family financial matters; the more equal the income earned by the spouses, the more likely they would share control, and the larger the husband's percentage of the family income, the greater his control over financial tasks.

Socialization theory assumes a psychological model of man. It emphasizes the influence of socially prescribed norms concerning sex roles on behavior. Control over money is normatively part of the husband's role as head of the household. Socialization theory predicts that among dual-earner couples, regardless of the wife's percentage of the family income, the husband will control family financial matters.

The equality model is derived from empirical studies of marital satisfaction. Scanzoni (1978) reported that in the ten years since his 1971 study, preferences for gender equality had become more widespread and

stronger. Several other studies have found that happily married couples are typified by joint decision making (Osmond, 1977; Centers, Ravens and Rodrigues, 1971). Schaninger and Buss (1986) found happily married couples practiced role specialization with respect to financial handling. Each was doing about half of the financial tasks, but each had his/her own special tasks.

The equality model can manifest itself in two ways, either through joint control or separate but equal control. The equality model predicts that among dual-earner couples, regardless of the percentage of the wife's income, both will share in managing the financial tasks, either through joint control or through role separation.

Both resource theory and the equality model both predict that when income is equal, spouses will share financial control, making it difficult to differentiate which model is accounting for behavior. Further evidence for resource theory would be if spouses who share financial control are also those who cannot pay major family expenses alone. Such results would suggest that the shared pattern of financial control developed from financial necessity and would be evidence for resource theory.

Methods

Sample

The sample for this study consists of 93 dual-earner couple, in which at least one spouse is a professional. The sample was part of a larger study of professional employees in five Chicago area organizations; two law firms, two advertising agencies and an accounting firm. All married

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professionals and their spouses in specified divisions of these firms were sent questionnaires. The overall response rate was 37 percent; the range across firms was from 20 percent to 68 percent. This response rate is low and suggests that any generalization from the data should be made with caution. Our previous experience studying less well to do couples indicates that getting a high rate of response from couples is difficult. Brett (1982) had a 66 percent response rate, after telephoning all non respondents; Yogev and Brett (1985) had a sixty-four percent response rate. For this study, eleven subjects where only one spouse replied and 57 single-earner couples were excluded.

In general, couples in the sample were young, well educated and earning high salaries. They had been married on average 5 and one half years; two-thirds were childless. The average male was 32 years old, had been working for eight years and had an M.B.A., J.D. or other professional degree. Average salary for the men was \$55,800; the range was \$12,000 to \$170,000. The majority of the men were managers (26) or professionals (53). Twelve had creative jobs in advertising and 2 had jobs in other white collar fields.

The average female was 31 years old, had been working for 6 years, and had an M.B.A., J.D. or other professional degree. Average salary for the women was \$34,800; the range was \$10,000 to \$195,000. Only twelve women in the sample worked in traditional female occupations — 7 secretaries and 5 teachers; 7 women worked in semi-traditional female occupations (e.g. psychotherapy and clinical social work). The majority of women in the sample were in male-dominated occupations: 29 were in advertising, 18 were lawyers, 11 were accountants, stockbrokers or bankers, 3 were physicians and

3 were scientists.

Measures

Power was operationalized by dividing the husband's self-reported income by the sum of each spouse's self-reported income. Three categories were formed: 1) 0-40 -- wife's earnings exceed husband's; 2) 41-70 -- earnings approximately equal; 3) 71-100 -- husband's earnings exceed wife's.

Control was operationalized as follows: Respondents were asked to indicate which spouse did the following tasks: paying monthly bills, keeping track of money, managing savings and investments, doing the income tax. Possible answers were: husband, wife, both, or other professional. The overall agreement ranged from 91 percent for who pays bills to 66 percent on keeping track of money. Each spouse answered four times, making 8 answers for each couple. Couples were classified into three categories based on their pattern of responses to these eight items. The categories were: 1) wife dominant; 2) husband dominant; 3) shared or joint control. Couples were classified into groups 1 or 2, if six of the eight answers identified one spouse. Couples were classified into group 3, if at least five of the eight answers were both or if there was clear role separation, (i.e. each spouse did two tasks). There were not enough couples in group 3 to separate those who shared responsibility from those who practiced role separation. Five couples could not be classified.

Results and Discussion

Resource theory implies that wife-dominated couples should be in the first income category (0 - 40 percent) in Table 1, joint couples should be

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in the second category (41- 70 percent), and husband-dominated couples should be in the third category (71- 100 percent). This was clearly not the case as can be seen from Table 1. For example, among the 20 percent of couples in the wife dominated category, none was in the 0 - 40 financial category as would be predicted by the theory.

Insert Table 1 Here

Socialization theory implies that the majority of couples in all income categories should be in the husband dominated column. This was true in the category (0 - 40) where she earns more than he and in the category (71 - 100) where he earns more than she. Thus, when financial power was skewed, sex role stereotypes seemed to prevail.

When financial power was about equal, men controlled financial activities in 42 percent of the couples, but women dominated or shared control in 58 percent of the couples. It seems that when women's financial power equals their husband's, the financial control may shift to a shared control pattern. However, it is important to notice that although more couples in which spouses earned equal proportions of the family income shared financial tasks (38%), this proportion is not significantly different from the percent of wife-dominated couples who shared control (33%).

Financial necessity did not account for the relatively large number of couples in the equal financial power/shared control category. Resource theory suggests that a pattern of joint control might evolve when neither party could pay all major bills him or herself. But only 14 percent of the shared control couples were in the "neither can pay major bills" category,

as compared to 28 percent of the wife dominated, and 21 percent of the husband dominated couples. Thus, the equal power-shared control couples seem to reflect the equality model not resource theory.

There were no demographic differences between traditional husband-dominated couples and those using a shared arrangement in terms of age, children/no children, previous marriage, or marital satisfaction as measured by Spanier (1976). The one way in which the shared control couples differed from the others was that women in this group were significantly more likely to have their own, separate bank accounts.

This finding is consistent with Hertz' (1982) description of dual-earner couples who had separate accounting systems, (i.e. each had separate checking and savings accounts). She found that such couples had a less gender-based division of labor, ascribed importance to the wife's income, and were more independent and autonomous of each other than dual-earner couples using a pooled accounting system. In our data, too, the accounting system couples used seemed to reflect a psychological orientation toward marriage that also manifested itself in the distribution of financial tasks. While it is impossible to determine from these data the direction of the relationship between control over finances and separate accounting systems, women who wish to gain more financial control within the family might begin by opening their own accounts.

Despite the financial gains and expertise achieved by educated, professional women, their financial acumen is not yet being translated into financial control within the family. Educated women who violate traditional sex role stereotypes by their achievements in male-dominated professions, have not, in their marriages, totally let go of traditional sex role

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stereotypes. These findings are wholly consistent with other studies of professional women (Birnbaum, 1971; Yogev, 1981; 1987). The socialization model still accounts for the distribution of financial tasks within high-income, dual-earner families when income is skewed.

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Table 1

Financial Power and Control over Financial Tasks

<u>Power</u> Husband's % of Family Income	<u>Wife</u> Dominated		<u>Control</u> Shared		Husband Dominated		Total
	N	Row %	N	Row %	N	Row %	
0 - 40	0	0	2	33	4	67	6
41 - 70	11	19	22	38	24	42	57
71 - 100	7	28	4	16	14	56	25
Total	18	20	28	32	42	48	88

$$\chi^2 = 5.94 \text{ NS}$$

